Nova Scotia Economic Development

Business Plan

2002-2003

March 11,2002

NOVA SCOTIA
Economic Development

A. Mission

To manage government's efforts to support sustainable, environmentally responsible, economic development activities in Nova Scotia.

B. Planning Context

New Structures: During the past year, Nova Scotia Economic Development (NSED) has significantly restructured the way it promotes economic growth in the province. The restructuring is a direct response to the new policy framework outlined in the province's economic growth strategy, *Opportunities for Prosperity (OfP)*, released in October 2000. *OfP* provides a new policy framework for government activities to support economic growth. It also identifies opportunities for the new department and its partners to pursue. The focal point is a reorganized economic development department and a newly created Nova Scotia Business Inc. (NSBI) that received royal assent in November 2000.

NSED has responsibility for implementing the strategy. Of the seven strategic directions outlined in the *OfP* document, NSED will lead two: business climate improvement and the building of regional economic capacity. NSBI, the Crown corporation, will take the lead on investment promotion and export growth with the department playing a policy supportive role. NSED will also work to support the enhancement of strategic economic infrastructure and to promote innovation. Among the opportunities for growth outlined in *OfP*, the department will co-lead efforts to build the digital economy with the Office of Technology and Innovation and will support efforts to grow our energy, advanced manufacturing, life sciences and learning industries.

As part of the departmental restructuring, NSED has built new capacity to develop trade policy, manage strategic economic development projects and promote industrial benefits for Nova Scotian businesses from large public and private procurement projects. These new capacities will strengthen the department's ability to carry out its mandate and implement *OfP*.

The new fiscal year, 2002/2003, will be the first full year of operation for both NSED and NSBI. These organizations, together with the Nova Scotia Film Development Corporation, In*NOVA*corp, the Waterfront Development Corporation and the World Trade Centre Limited, comprise a cluster of complementary organizations aimed at helping to grow the provincial economy.

Economic Slowdown: This new approach comes at a challenging time for Nova Scotia. North American growth, quite robust over the past few years, is slowing down and may remain slow through much of the coming fiscal year. Undertaking new ventures will be challenging as government, businesses, and communities work to deal with the impact of a gradual economic recovery in the aftermath of September 11th .

Assets: Fortunately, Nova Scotia has a number of significant assets, including a new energy strategy. *Seizing the Opportunity*, released in December 2001, outlines the directions government will take to ensure we can use our non-renewable resources to make permanent changes in Nova Scotia's economic and financial future. NSED will work with the Petroleum Directorate on downstream opportunities as outlined in the energy strategy.

Our geographic location and the potential of our ports and other transportation infrastructure offer opportunities that can help us accomplish our long-term goals. Our information and communications technology infrastructure is strong and our labour force remains a highly valued asset – well educated, trained and loyal, with a reputation producing quality work.

The relatively diverse nature of the provincial economy should also help get the province through this more challenging economic cycle.

These assets, coupled with the new department and NSBI, will aid greatly in the province's ability to meet the challenges ahead.

Federal Government: To move forward in our efforts to deliver on the growth strategy, we must continue to leverage funding opportunities. As such, NSED staff continue to strengthen ties with the province's municipal, provincial and federal partners, particularly within federal economic development portfolios like the Atlantic Canada Opportunities Agency (ACOA)/Enterprise Cape Breton Corporation, Human Resources Development Canada, and Industry Canada.

For five years, NSED and ACOA have managed the Economic Diversification Agreement (EDA), supporting a wide range of projects designed to promote economic development, diversification and competitiveness within the province. Programs have focussed on enhancing workplace skills, promoting entrepreneurship, increasing resource competitiveness and enabling communities across the province to more effectively develop and diversify their economic bases. Our relationship with the federal government is evolving. The EDA is winding up, yet the federal/provincial Atlantic Investment Partnership and Atlantic Innovation Fund offer new opportunities for Nova Scotia. NSED will continue to work with ACOA on developing new initiatives that support *OfP*.

C. Strategic Goals

One of the six overall goals of the Government of Nova Scotia is to create conditions that help the economy grow. NSED is at the center of a new approach to economic development that is designed to do just that. Working with NSBI, NSFDC and In*NOVA*corp, the regional development authorities (RDAs) and other partners, NSED is able to provide a coordinated and focussed effort to grow the Nova Scotia economy. NSED's goals have been designed this year to reflect the new legislative mandate and the thrusts of *OfP*.

NSED's Strategic Goals are to:

1 lead the overall implementation of *OfP*, the new economic growth strategy

2 improve the business climate of Nova Scotia

3 increase opportunities for communities in economic transition

4 influence the availability of a skilled labour force to take advantage of new opportunities

5 speed up the development of strategic economic infrastructure

6 increase industrial benefits derived from major public and private projects

7 improve capacity for both project and departmental program management and economic development policy development

D. Core Business Areas

Improving the Business Climate

The Business Climate section works with government, business and industry groups to identify problems impeding business development and to resolve them. Business Climate focuses on building a positive and collaborative approach to business development. The section works to make things happen on business immigration, red-tape reduction, infrastructure improvement and access to capital. The section will communicate issues and progress made on them, both internally and externally, through formal reports and informal communications means. Business Climate is a conduit for business to address its concerns to government. As appropriate, the section will act as an advocate for business.

Key Roles

- provide policy advice and take appropriate action on issues making Nova Scotia attractive to business, including infrastructure, regulations, immigration, entrepreneurship and labour market development.

- develop an action plan to address business climate issues.

- develop and monitor the *Business Climate Index* to help track improvements and identify areas needing attention.

Providing Strategic Services

The Strategic Services section develops, coordinates and implements policies, planning and programming relating to provincial economic development and *OfP*, the economic growth strategy. This includes initiating and renewing key stakeholder partnerships, mobilizing and asserting provincial interests in trade issues, disputes and negotiations, and optimizing provincial industrial benefits from large projects and government procurement processes at the provincial, national and international levels.

Key Roles

- guide *OfP* implementation and update through good policy planning, research and coordination; secure incremental funding to develop key economic sectors

- ensure Nova Scotia takes full economic advantage of trade opportunities by participating in and influencing federal/provincial trade discussions and partnering on national and regional trade initiatives

- encourage and better enable Nova Scotia suppliers to compete for a broad range of goods and services required for large-scale procurement projects at the provincial, national and international levels

Supporting Rural Development

Rural Development focuses on regional policy development and planning. Through seven regional development field offices, the section manages regional coordination of the community assistance aspects of the provincial economic growth strategy. Regional staff work with stakeholders to build regional economic capacity to support economic growth.

Key Roles

- help to create and implement regional development strategies with partners and support regional development authorities with information and advice
- identify regional economic development opportunities
- identify impediments to regional economic growth and potential economic crisis situations by working with special groups and community organizations

Program Management and Operations

The Program Management section provides program management support/expertise including program database development; leads major projects supporting *OfP* priorities; coordinates collaborative Educational Marketing initiatives and coordinates operations activity for the department, including funding support for agencies, boards and commissions and several strategic financial assistance programs. Staff provide program evaluation services for the department.

Current programs include provincial employment programs, the Economic Diversification Agreement (EDA), administered on behalf of the department and federal partners and Educational Marketing. A key component is the coordination of, and funding support for, large strategic projects directed at growing the economy — infrastructure projects, industrial projects and sector specific projects like aerospace and defence.

Key Roles:

- providing program management, program database development and evaluation support
- coordinating departmental project delivery including major projects, strategic financial assistance for agencies, boards and commissions and Educational Marketing
- corporate services

E. Priorities

For 2002 - 2003, departmental priorities include:

Business Climate

1. develop and use tools for monitoring Nova Scotia's business climate
2. prepare and implement an action plan to improve Nova Scotia's business climate

3. develop and implement an agreement to attract new immigrants interested in setting up businesses in Nova Scotia

Strategic Services

1. guide the implementation of *OfP* and make modifications designed to keep the overall strategy relevant to changing provincial circumstances

2. develop and implement a provincial industrial benefits program

3. together with Nova Scotia Transportation and Public Works, implement the Nova Scotia Business Opportunities Initiative to increase awareness of NS companies and their products and services

4. provide corporate advice on trade issues and trade disputes

5. together with our corporate partners and the federal government, improve the information available on Nova Scotia's economy which will, in turn, provide for better decision-making

Rural Development

6. implement Community Economic Development policy and assist communities in transition, like Cape Breton

7. lead the implementation of *OfP* in rural Nova Scotia

8. strengthen relationships with partners, particularly NSBI, RDAs and municipalities

Program Management and Operations

1. design and develop infrastructure for all programs including common protocols, better database management, standardized reporting and evaluation for departmental programs

2. coordinate the Education Marketing Program

3. manage projects assigned to the department, particularly large-scale ones designed to meet strategic economic development needs

F. BUDGET CONTEXT

Nova Scotia Economic Development- Estimated Expenditures by Core Business			
Core Business	Prior Year Forecast 2001-2002 Net	Budget - 2002-03 Gross	Budget 2002-03 Net
	$ Thousands	$ Thousands	$ Thousands
Business Climate (Includes Business Climate and Labour Market Development)	355.0	624.0	624.0
Strategic Services (Includes Strategic Services, Trade Policy, Industrial Benefits, admin section for Strategic Management & Rural Development, and funding for Marketing Cape Breton and Open to the World.)	1,419.0	2,175.0	2,175.0
Rural Development (Includes all the field offices for the division, as well as head office in Hfx for the Rural Development Section)	1,847.0	2,066.0	2,066.0
Program Management and Operations /Includes salaries/operating costs for Administration and Program Management sections of the division and "net" dollars for Fed/Prov agreements, Provincial Employment Program and annual funding support to agencies, boards and commissions, and also the Provision for Losses and Special Assistance)	40,231.0	22,153.0	22,153.0
Administration and Support /Includes the "Operations" division of PM&O, i.e. lease cost, the communications division, records management, etc., as well as all costs associated with the Minister and Deputy Minister's Offices)	4,178.0	3,767.0	3,767.0
Total Gross		30,785.0	
Total - Program Expenses net of Recoveries	48,030.0		30,785.0
Salaries and Benefits	3,574.0	3,814.0	3,814.0
Funded Staff	57.7	55.5	55.5

G. Outcomes and Outcome Measures

Core Business Area - **Business Climate**						
Outcome	Indicator	Measure	Base year measure	Target 02-03	Target 03-04	Strategies to achieve the target
Most competitive Business Climate in Atlantic Canada	Economic vitality, competitive tax and regulatory environment	*Business Climate Index*	Establish and develop baseline data	Publish the first annual *Business Climate Index* and updates	Publish the 2nd annual *Business Climate Index*	-establish a working group to further develop the *Business Climate Index* material. -use the index to identify key elements of the business climate needing attention and take appropriate action
	Number of immigrants	Number of Nominee Certificates issued	Develop a new program for immigrants	Implement the Provincial Nominee Program	5 nominees	-establish a working group to develop and implement of the Provincial Nominee Program (PNP) - develop the appropriate structure to implement the program and attract nominees
	State of NS infrastructure that supports growth roads, airports, rail lines, ports and commun-ication systems	State of Infrastructure	Develop data	Establish baseline	Consider potential development of strategic infrastructure report	-work with NSTPW to consider potential development of strategic infrastructure report -research and publish a baseline index with annual updates; present an accurate representation of the state of key infrastructure. -establish a working group to review this index -use the index as a tool to identify action to improve Nova Scotia's infrastructure
	Labour market situation	Regular reports	Develop baseline data	Publish assessments of the NS labour market situation	Publish assessments of the NS labour market situation	- coordinate with skills agenda initiative - analyse StatsCan and other data on the state of the NS labour market - identify and implement activities to deal with issues identified in the analysis

Core Business Area - **Strategic Services**						
Outcome	Indicator	Measure	Base year measure	Target 02-03	Target 03-04	Strategies to achieve the target
Growth in the Nova Scotia economy	Effective implementing of *OfP*, the provincial economic growth strategy	*Strategy Report Card* and Evaluation Framework	2000 - beginning of implementation	increase the percentage of activities implemented	increase the percentage of activities implemented	-develop and implement policies, planning and programming related to *OfP* -lead the DMs advisory committee to the Cabinet committee on Economic Growth -cooperate with the work of other departments and the Government of Canada on matters relating to NS economic development
				Publish the second *Strategy Report Card*	Publish the third *Strategy Report Card*	-work with Finance and the federal government to provide clear statistical information on the provincial economy -monitor, track and report on the economic growth strategy deliverables in the *Strategy Report Card*
				Identify areas in *OfP* that need refinement	Identify areas in *OfP* that need refinement	-work with NSBI, which works with the business community, to promote economic development throughout the province -update the economic growth strategy to keep it current
Trade agreements that help NS expand exports	Satisfaction of clients affected by trade agreements	Client satisfaction survey	Data not available	Develop baseline data and conduct survey	Increase in client satisfaction	-ensure a unified provincial (and when possible regional and national) voice in all trade policy areas affecting the province -serve as a corporate resource on trade policy matters. -provide timely information corporately on evolving trade issues particularly as they relate to the WTO, NAFTA, EFTA, GATS, and other potential agreements -participate in intergovernmental committees, groups and negotiation processes that affect NS interests - build and maintain key networks in region (*eg* Atlantic softwood lumber lobby)

Outcome	Indicator	Measure	Base year measure	Target 02-03	Target 03-04	Strategies to achieve the target
Increase NS business participation in major procurement programs	an increase in the awards of tendered projects to NS business	an increased number of outside contracts secured	Data not available	Develop baseline data for outside contracts secured	Increase in success rate	-develop and implement a new industrial benefits program with a focus on major public procurement programs, particularly in the aerospace, defence and marine fields -seek opportunities for local procurement in private sector projects, especially those related to the energy sector -develop and strengthen working relationships with relevant government departments and industry associations
	an increase in take-up by NS business in bidding on supply opportunities	an increase in the rate of participation by NS companies in crown procurement	Data not available	Develop baseline data for the success rate of participation by NS companies in Crown procurement activity	Increase in success rate	-implement the Nova Scotia Business Opportunities Initiative to increase awareness of NS companies and their products and services

Core Business Area- **Rural Development**						
Outcome	Indicator	Measure	Base year measure	Target 02-03	Target 03-04	Strategies to achieve the target
Economic capacity that supports economic growth	Regions with *stable* or *increasing* economic capacity	The number of regions with "stable" or "increasing" economic capacity as determined under new baseline to be developed The average percentage improvement in economic capacity of regions	No baseline available	Development of baseline measure for regions incorporating elements such as Business Climate Index, Genuine Progress Index and others	Increase the number of regions with either *stable* or *increasing* economic capacity 2% increase in average economic capacity of regions	- local rural development staff will identify relevant partners and begin establishing regional teams, if not already present (RDAs, others) - completion of CED Policy for input into planning for regions - work with teams to establish terms of reference and identify priorities including impediments to growth and opportunities for expansion - priorities to include assisting communities in economic transition or experiencing crisis - work with organizations and community partners toward the development and implementation of regional development strategies to address identified priorities - provide advice during the development process to ensure workable strategies result - act as primary liaison with regions on *OfP* and related issues. - monitor and re-direct process as necessary

Core Business Area - **Program Management and Operations**						
Outcome	**Indicator**	**Measure**	**Base year measure**	**Target 02-03**	**Target 03-04**	**Strategies to achieve the target**
Successful projects	Projects meet and exceed stated objectives	Indices that measure economic development in *OfP* priority sectors	30% of projects focus on *OfP* priorities	65% of projects focus on *OfP* priorities	90% of projects focus on *OfP* priorities	- development of a common project reporting process - ongoing measurement of impact based upon stated objectives